



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 7/22/2004

GAIN Report Number: KS4038

Korea, Republic of

Grain and Feed

Rice Update

2004

Approved by:

Marcus E. Lower
U.S. Embassy

Prepared by:

Sunchul Choi

Report Highlights:

Having stated its intention publicly in early May to provide 400,000 metric tons (MT) of food grains to the Democratic People's Republic of Korea (DPRK) in the form of a concessional loan, the South Korean government decided to send 100,000 MT of domestic rice and 300,000 MT of foreign rice due to limited stocks of domestic rice. South Korea is expected, therefore, to purchase 300,000 MT of foreign rice through an international open tender and have the products delivered directly to ports in North Korea.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Seoul [KS1]
[KS]

Rice Aid 400,000 MT to the DPRK:

As the Republic of Korea Government (ROKG) stated publicly in early May, it intends to provide 400,000 MT of food grains to the DPRK in the form of a concessional loan. Their commitment will be met with 100,000 MT of domestic rice and 300,000 MT of foreign rice due to limited stocks of domestic rice.

The ROKG has a 13 week surface delivery plan for July 21-October 22, 2004, during which 2,000 MT per day, four days per week (Tues.-Fri.), will cross the inter-Korean border by truck. This is the first time since 1995 that the DPRK has opened the land border to receive South Korean rice aid. In 1995, the ROKG donated 150,000 MT of domestic rice to the DPRK.

South Korea is expected to purchase the 300,000 MT of foreign rice and have product delivered directly to discharge ports in North Korea. Based on previous experience, the Agricultural Fishery Marketing Corporation (AFMC), as the ROKG state trading company, on behalf of the South Korean Ministry of Unification (MU) is expected to hold an international open tender for the 300,000 MT of foreign rice at an as yet undisclosed date.

PSD Table

Country Commodity	Korea, Republic of						UOM
	Rice, Milled			(1000 HA)(1000 MT)			
	2002	Revised	2003	Estimate	2004	Forecast	
	USDA Official [I	Estimate [I	USDA Official [I	Estimate [I	USDA Official [I	Estimate [New]	
Market Year Begin	11/2002		11/2003		11/2004		MM/YYYY
Area Harvested	1053	1053	1016	1016	990	990	(1000 HA)
Beginning Stocks	1566	1566	1025	1025	614	584	(1000 MT)
Milled Production	4927	4927	4450	4451	4800	4700	(1000 MT)
Rough Production	6687	6687	6014	6015	6486	6351	(1000 MT)
MILLING RATE (.9999)	7368	7368	7400	7400	7400	7400	(1000 MT)
TOTAL Imports	133	154	180	180	205	205	(1000 MT)
Jan-Dec Imports	179	129	210	210	210	205	(1000 MT)
Jan-Dec Import U.S.	55	14	0	70	0	100	(1000 MT)
TOTAL SUPPLY	6626	6647	5655	5656	5619	5489	(1000 MT)
TOTAL Exports	568	568	175	206	0	0	(1000 MT)
Jan-Dec Exports	442	442	100	100	0	0	(1000 MT)
TOTAL Dom. Consumption	5033	5054	4866	4866	4944	4844	(1000 MT)
Ending Stocks	1025	1025	614	584	675	645	(1000 MT)
TOTAL DISTRIBUTION	6626	6647	5655	5656	5619	5489	(1000 MT)

KOREA: Domestic Rice Aid to the North Korea (Unit: MT)			
Month of Shipment	MY 2001/02	MY 2002/03	MY 2003/04
November	0	108,800	78,400
December	0	122,800	27,100
January	0	42,200	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	76,534	16,000 a/
August	0	80,231	32,000 a/
September	24,100	64,935	32,000 a/
October	102,100	72,800	20,000 a/
Total	126,200	568,300	205,500 a/

a/ estimated by delivery plan.

Source: Ministry of Unification